



GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

SEPTEMBER 24, 2002

<u>TM GRAIN TRANSPORT COST INDICATORS</u>	<u>Truck</u>	<u>Rail</u>	<u>Barge</u>	<u>Ocean</u>
Indicator Value*	92	38	61	87
Compared to Last Week	↑	↓	↓	↓
* Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Quarterly Updates for Ocean Vessel based on Routes to Japan				

Please note: This week we are presenting a new format for the Grain Transportation Report, including additional data. You may notice, however, that several graphs and charts may not have been updated. Please bear with us as we work through the glitches of the new format. We hope to have the problems resolved and resume the front page narrative in the very near future. Thank you.

Oct. 6-8	Grain Europe 2002	Rotterdam, Netherlands	+44 1242 267707 (tel) +44 1242 267701 (fax) info@graineurope.com
Oct. 8-10	Agribusiness Forum	Kansas City, MO	913-491-6500 (ph)
Oct. 8-10	2002 Railroad Environmental Conference	Urbana, IL	Becki Fields 217-244-0841 (ph) rdf@uicu.edu
Oct. 10	The American Waterways Operators Fall Convention 2002	San Francisco, CA	703-841-9300 (tel) 703-841-0389 (fax)
Oct. 24-25	Ports and Logistics 2002	Johor Bahru, Malaysia	+60 38 023 5352 info@transportevents.com
Oct. 24-26	23 rd Annual Int'l Irrigation Show & Conf.	New Orleans, LA	703-536-7080 (tel)
Oct. 27-30	2002 American Trucking Management (ATA) Conference & Exhibition	Orlando, FL	703-838-1700 (tel.) www.trucking.org
Nov. 7-8	MARC 2000: Midwest Area River Coalition Annual Meeting	St. Louis, MO	314-436-7303 (ph) http://www.marc2000.org
Nov. 16-20	95 th Nat'l Industrial Transportation League's (NITL) Annual Meeting/2002 Transcomp Exhibition	Anaheim, CA	703-524-5011 (ph) info@nitl.org
Nov. 19-20	TOC 2002 Americas - The Practical Ports & Terminals Event for the Americas	Miami, FL	Michelle Fisk michelle.fisk@informa.com
Dec. 8-10	Nat'l. Grain and Feed Assoc. (NGFA) 31 st Annual Country Elevator Council Meeting, 6 th Annual Feed Industry Council Meeting & Trade Show.	St. Louis, MO	202-289-0873 (tel.) ngfa@ngfa.org

Report is prepared by Johnny Hillr, Deen Olowolayemo, and Hooshang Fazel, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Hooshang.Fazel@usda.gov.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact the USDA's TARGET Center at (202)720-2600. To file a complaint, write USDA, Director of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC, 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Contents

Rail	<u>3</u>
Barge	<u>5</u>
Truck	<u>6</u>
Grain Exports	<u>7</u>
Container ...	<u>9</u>

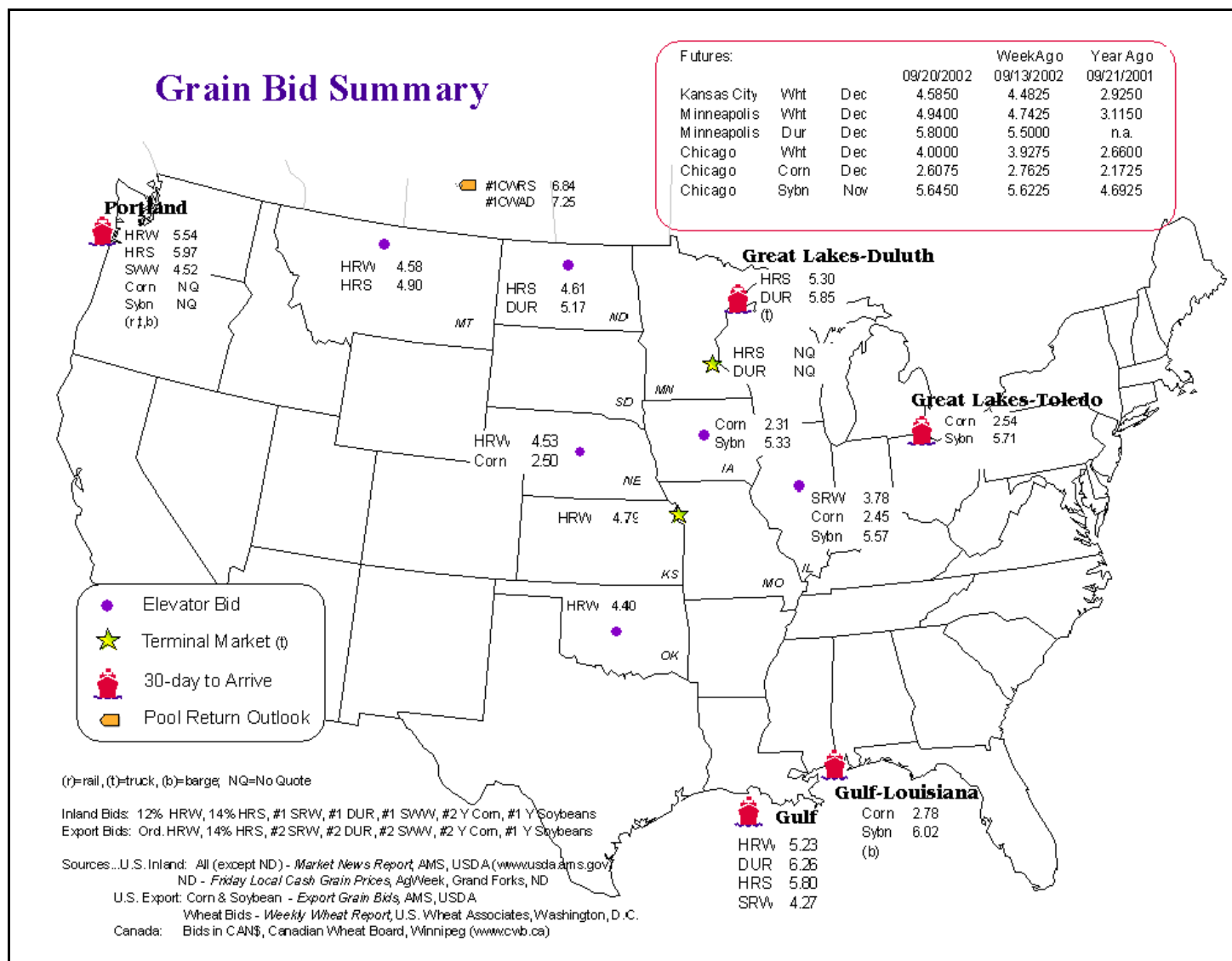
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.33	-0.32
Corn	NE -- Gulf	-0.27	-0.27
Soybean	IA -- Gulf	-0.69	-0.57
HRW	KS -- Gulf	-0.44	-0.44
HRS	ND -- Portland	-1.36	-1.21

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



RAIL TRANSPORTATION

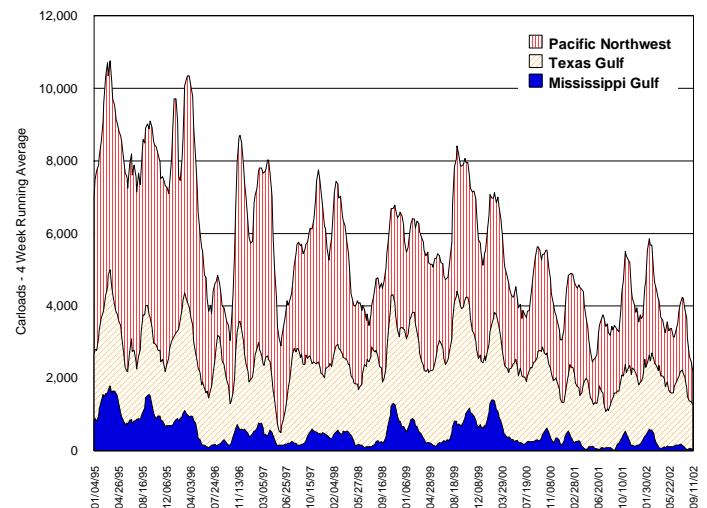
Rail Deliveries to Port

Carloads

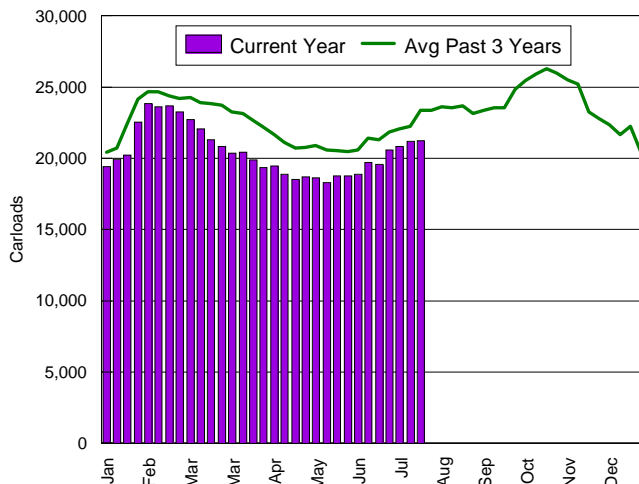
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
09/04/02	0	1,300	637	0	1,937
09/11/02	0	1,394	844	0	2,238
YTD 2002	7,283	66,414	67,692	15,306	156,695
YTD 2001	5,820	53,097	75,568	17,314	151,799
% of Last Year	125%	125%	90%	88%	103%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/03/02	2,479	2,923	7,127	410	6,575	19,514	3,588	4,059
This Week Last Year	2,647	2,805	8,598	467	7,285	21,802	4,962	3,822
2002 YTD	86,865	96,812	226,923	17,443	206,231	634,274	125,579	111,248
2001 YTD	93,573	96,147	241,240	14,264	203,504	648,728	153,008	137,149
% of Last Year	93%	101%	94%	122%	101%	98%	82%	81%
2001 Total	151,864	163,018	428,603	26,330	347,156	1,116,971	254,982	232,461

U.S. Rail Carrier Grain Service Index*

Dec-01	95.5	93.1	100.9	101.0	98.0	97.5
--------	------	------	-------	-------	------	------

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Sep-02	Oct-02	Nov-02
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	\$0
GCAS/Region 2	no bid	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

Source: Transportation & Marketing/AMS/USDA.

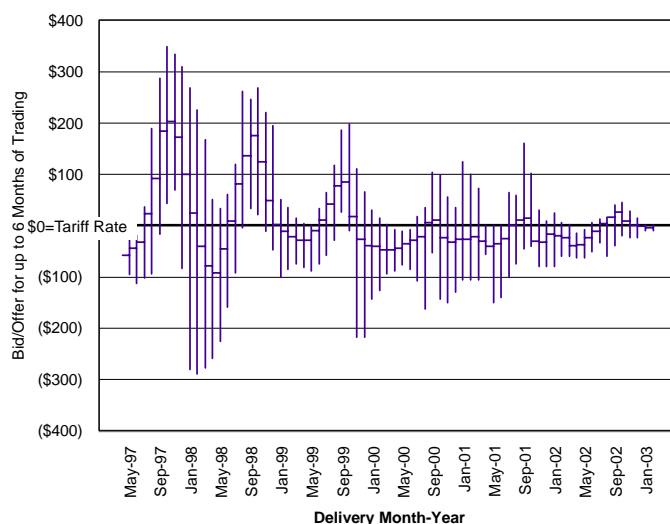
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Aug-02	Sep-02	Oct-02	Nov-02
BNSF-GF	\$(5)	\$0	\$(2)	\$(3)
UP-Pool	\$(55)	\$(35)	\$(5)	\$(10)

Secondary Rail Market Bid



Tariff Rail Rates for Unit Train Shipments

August 2002

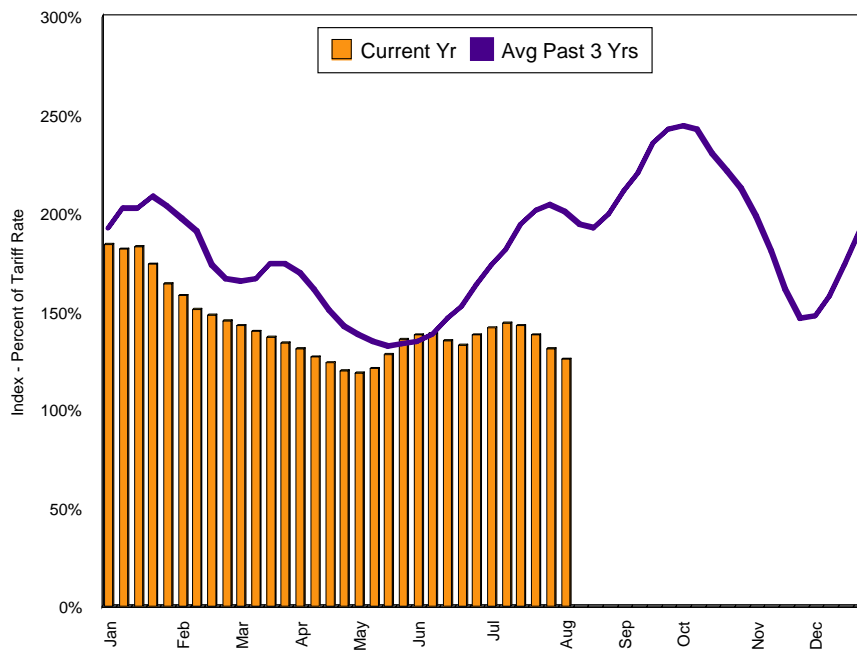
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
08/05/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
08/05/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
08/05/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
08/05/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
08/05/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
08/05/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
08/05/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
08/05/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
08/05/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,115	\$34.34	\$0.93
08/05/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
 $\text{Index} \times 1976 \text{ Tariff Benchmark Rate per Ton}$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	9/18/02	9/11/02	Oct '02	Dec '02
Twin Cities	179	181	214	0
Mid-Mississippi	162	162	193	180
Illinois River	150	145	181	163
St. Louis	142	144	158	119
Lower Ohio	146	145	175	126
Cairo-Memphis	134	140	152	116

Source: Transportation & Marketing /AMS/USDA; nq=no quote

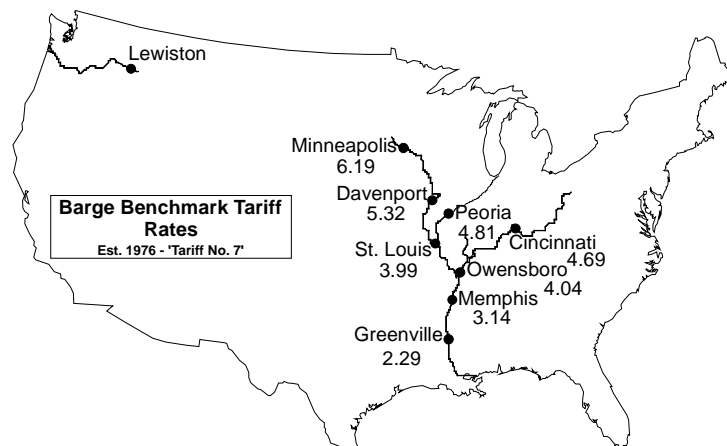
BARGE FUTURES MARKET

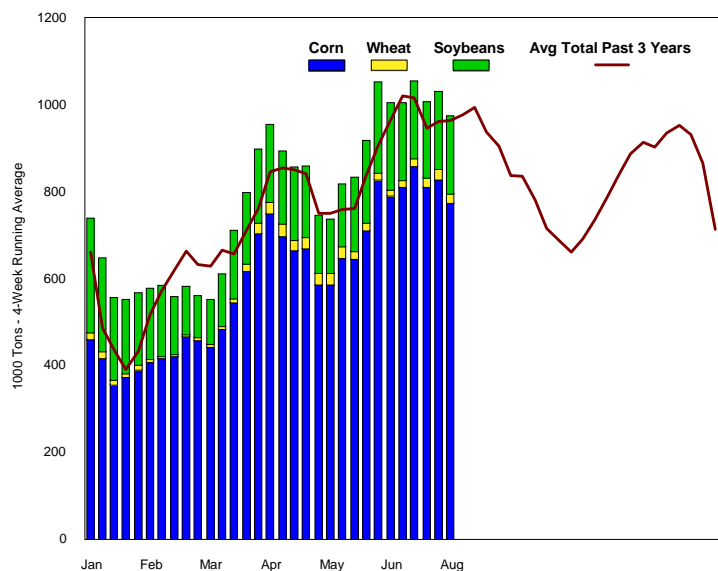
Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
08/24/02	St. Louis	Aug	n/a	n/a
		Oct	n/a	150
		Dec	n/a	123
		Feb	n/a	123
	Illinois River	Mar	n/a	123
		Aug	n/a	n/a
		Oct	n/a	175
		Dec	n/a	155
		Feb	n/a	170
		Mar	n/a	155

Source: St. Louis Merchants Exchange



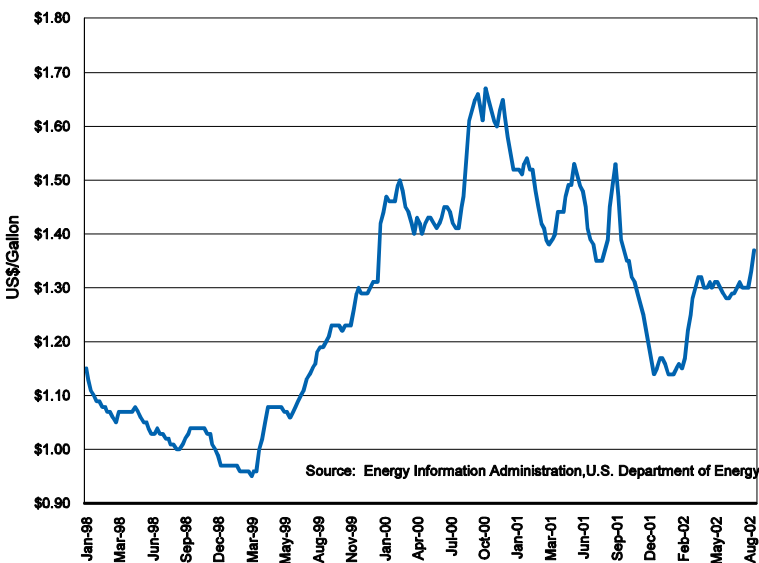
Barge Movements on the Mississippi River (Lock 27)**Barge Grain Movements**

for week ending 9/14/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	109	0	9	118
Winfield, MO (L25)	259	21	51	335
Alton, IL (L26)	419	21	65	509
Granite City, IL (L27)	432	34	73	552
Illinois River (L8)	207	6	11	237
Ohio River (L52)	14	9	9	33
Arkansas River (L1)	0	32	0	32
2002 YTD	25,324	1,885	7,102	35,451
2001 YTD	23,075	1,906	6,055	32,368
% of Last Year	121%	102%	115%	117%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers.

TRUCK TRANSPORTATION**Weekly U.S. Retail Road Diesel Price, Including Taxes**

Source: Energy Information Administration, U.S. Department of Energy

The weekly **Diesel Price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Crude Oil Prices

US\$ per Barrel

Light Sweet Crude (NYMEX)

This Week

Last Week

Average
2001*

Brent Crude

26.76

26.26



22.96

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

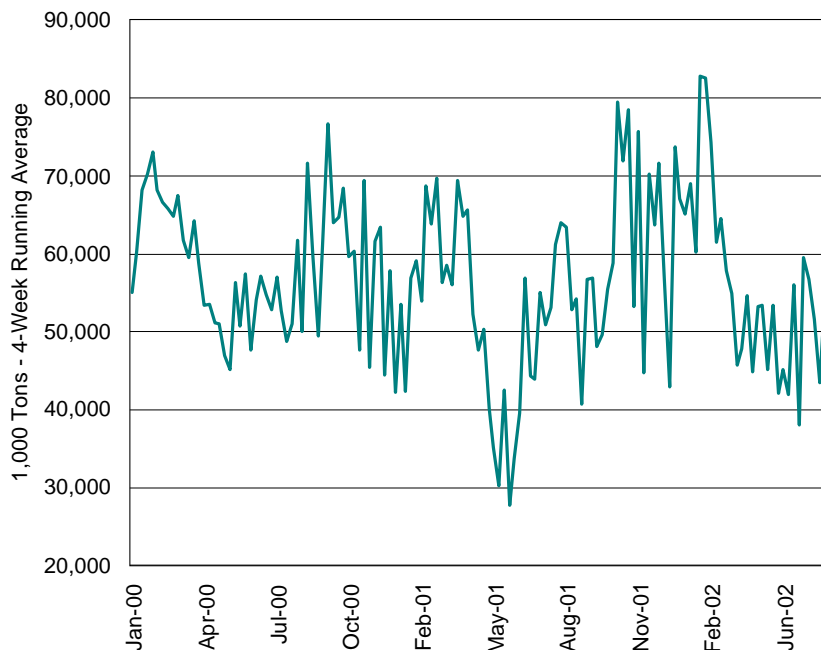
U.S. Export Balances (1,000 Metric Tons)

	HRW	SRW	Wheat HRS	SWW	DUR	All	Corn	Soybean	Total
<u>Unshipped Export Balances</u>									
08/02/01	1,145	394	1,175	685	127	3,524	6,301	3,420	13,245
This Week Year Ago	1,247	868	881	499	289	3,784	6,466	1,790	12,040
<u>Cumulative Exports-Crop Year</u>									
2001/02 YTD	1,572	527	836	485	176	3,596	43,489	28,700	75,785
2000/01 YTD	1,319	730	806	449	186	3,490	42,327	17,713	63,530
% of Last Year	119%	72%	104%	108%	95%	103%	103%	162%	119%
2001/02 Total	8,760	5,485	5,582	3,175	1,133	24,135	n.a.	n.a.	24,135
2000/01 Total	9,313	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>			<u>Port Region Total</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
08/01/02	190	83	13	114	774	308	99	37	16	286	1,196	152
2002 YTD	4,732	2,590	1,343	3,206	22,562	9,947	3,756	214	884	8,666	35,716	4,854
2001 YTD	5,581	3,059	1,308	3,380	19,533	8,964	3,255	175	884	9,949	31,876	4,314
% of Last Year	48%	43%	79%	47%	64%	55%	54%	46%	88%	49%	60%	58%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462

Source: Federal Grain Inspection Service YTD-Year-to-Date

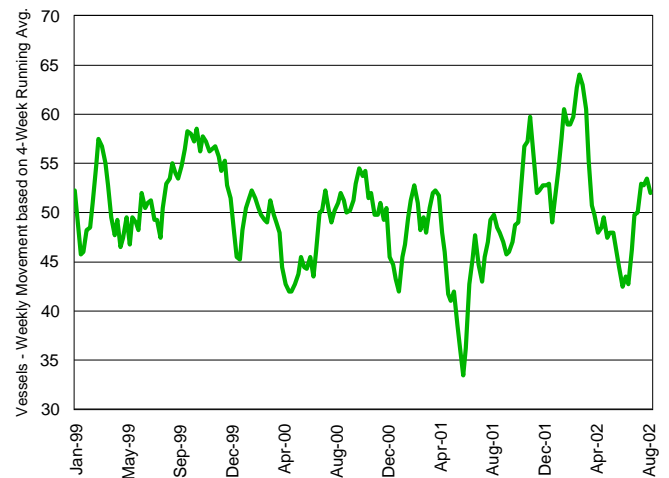
U.S. Grain Inspected for Export**Select Canadian Port Export Inspections**

1,000 Metric Tons, Week End Summary

	Wheat	Durum	Barley
08/22/02			
Vancouver	197	15	2
Prince Rupert			
Prairie Direct	13	15	12
Thunder Bay	34	49	3
St. Lawrence	158	93	1
2001/02 YTD	402	172	18
2002/03 YTD	548	49	67
% of Last Year	73%	351%	27%

Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Gulf Port Region Grain Vessel Loading Past 7 Days

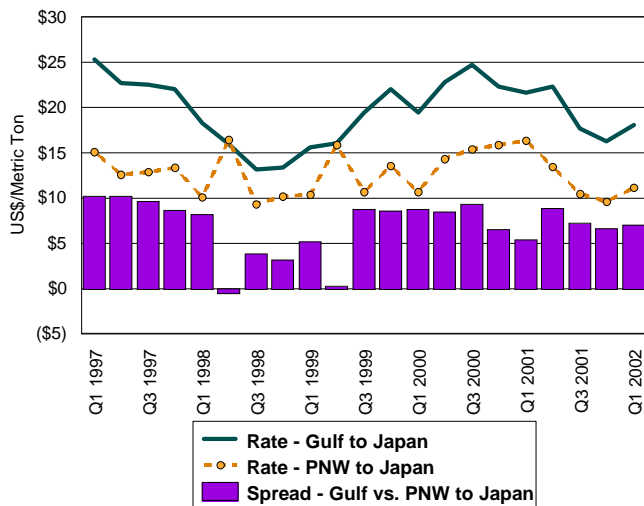


Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
08/08/02	28	59	75	4	5
08/15/02	25	46	52	10	5
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 2 nd Qtr	2001 2 nd Qtr	% Change		2002 2 nd Qtr	2001 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$19.43	\$22.31	-13%	Japan	\$11.03	\$13.05	-18%
Mexico	\$46.92	\$17.84	63%				
Venezuela		\$14.76	-				
N. Europe	\$13.58	\$16.93	-20%	Argentina to			
N. Africa	\$15.84	\$19.52	-19%	Med. Sea	\$16.98	\$26.08	-35%
Med. Sea	\$12.62	\$15.80	-20%	N. Europe	\$17.16	\$19.68	-13%
Black Sea		\$21.16	-	Japan	\$25.10	\$26.62	-6%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Select Shipments - week ending 9/21/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
PNW	Japan	Heavy Grain	Sept 27/Oct 7	54,000	\$11.95

Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

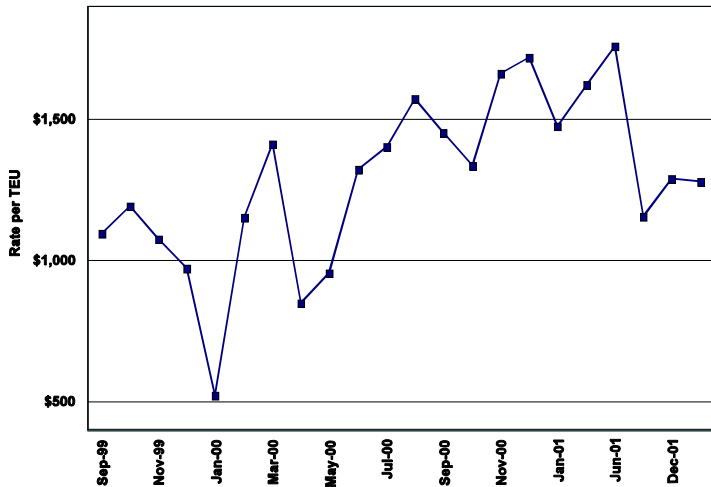
CONTAINER

Container Ocean Freight Rates

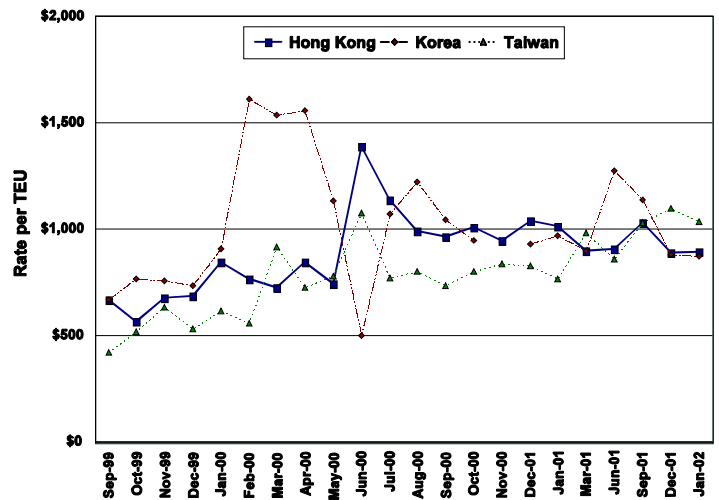
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA

Container Rates - Soybeans
Seattle, WA Origin to Tokyo, Japan



Container Rates - Feed Grain
Seattle, WA Origin to Selected Destinations



Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.